



**CITY OF LODI  
COUNCIL COMMUNICATION**

**AGENDA TITLE:** Mid-year budget adjustments and Financial Review as of December 31, 2004.


**MEETING DATE:** February 2, 2005

**PREPARED BY:** Finance Director

**RECOMMENDED ACTION:** Approve Mid-year budget adjustment and receive financial review for December 31, 2004

**BACKGROUND INFORMATION:** The Finance Department will provide the mid-year financial review worksheets to Council at the time of the meeting. There are no mid-year budget adjustments, which require additional appropriations at this time. However, there is a need to fill one of the vacant positions in the Community Development Department (there are currently four vacant positions in Community Development) in order to commence work on the City's General Plan. The position is included in the Community Development Department budget and is funded with General Fund revenues. However, funding for the General Plan has been collected and is available from the Impact Mitigation Fees (IMF) deposited in the Capital Improvement Fund. Staff recommends that this position be filled and that budget savings from the vacancies in the Community Development Department be used to fund this position for the remainder of fiscal year 2004-05; and that the position be funded with Impact Mitigation Fees starting in fiscal year 2005-06.

**FUNDING:** Staff recommends that the position be funded from the General Fund for the remainder of the current fiscal year. IMF have been deposited and are available for the completion of the General Plan; and will be used to fund this position starting in fiscal year 2005-06.

  
James R. Krueger  
Finance Director/Treasurer

APPROVED: 

Blair King, City Manager

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S
2	GENERAL FUND																		
3																			
4																			
5							Fiscal Year	Fiscal Year	Fiscal Year	2004-05		Fiscal Year	Fiscal Year		(Col. OM)		Fiscal Year		
6							1993-94	2002-03	2003-04	Approved		2003-04	2004-05		%		2004-05		
7							Actual	Actual	Actual	Estimate		Year-to-date	Year-to-date		Realized		Expected		
8							BEGINNING FUND BALANCE	1,272,911	2,588,278	1,094,175	1,771,931			1,419,634				1,744,482	
9																			
10							REVENUES by category												
11							Property Taxes		3,095,720	3,473,886	5,318,700	9,089	-7,539		N/A		5,911,300		
12							Sales Taxes		8,639,582	8,532,897	9,605,000	2,205,434	1,749,600		18%		9,205,000		
13							Other Taxes (1)	14,531,704	9,300,210	10,075,991	10,563,246	4,415,434	4,914,499		47%		10,672,200		
14							Licenses and Permit Fees	410,954	847,543	1,147,577	1,151,350	450,768	585,093		51%		1,148,300		
15							Fines and Forfeitures	100,550	278,494	334,086	281,185	150,947	152,169		54%		336,600		
16							Use of Money and Property	347,241	39,406	54,078	125,380	-7,782	17,954		14%		125,380		
17							Revenue from other agencies	2,243,584	4,059,062	3,315,889	3,987,961	686,145	361,487		9%		3,820,440		
18							Public Safety Fees		111,074	175,191	369,025	63,172	79,469		22%		148,600		
19							Parks and Recreation Fees		588,088	693,665	580,500	282,801	360,261		62%		710,800		
20							Community Center Fees		414,080	522,950	439,480	217,949	223,765		51%		485,600		
21							Community Development Fees (1)	1,075,706	456,657	536,610	427,230	234,241	276,326		65%		532,100		
22							Public Works Fees		285,592	503,933	190,050	211,835	377,821		199%		543,800		
23							Administrative Fees		468,363	700,186	482,760	343,782	368,501		76%		751,400		
24							Other Revenues	64,721	315,669	317,242	285,870	115,019	284,270		99%		348,100		
26							Transfers In	4,891,388	7,052,695	7,203,008	5,966,255	3,664,058	2,812,594		47%		5,966,300		
27																			
28							TOTAL	23,685,848	35,952,235	37,587,189	39,773,992	13,042,892	12,556,270		0		40,705,920		

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S
29																			
30			<b>General Fund Revenue Notes:</b>																
31			(1)Amounts stated for 1993-94 revenues are not available in detail for Property Taxes, Sales Taxes and Fees. Totals are provided for comparison																
32			purposes.																
33																			
34			<b>Summary Analysis:</b> Revenues for the General Fund are estimated for fiscal year 2004-05 at \$39,773,992. This includes property taxes ( approximately																
35			\$1.9 million )that will be used to fund debt service on the new police facilities in future years (2005-06 and beyond). Based on our review of estimates																
36			it appears that the General Fund will receive approximately \$932,000 more than the estimated total of \$39,773,992.																
37																			
38			<b>Review of details:</b>																
39			-Property Taxes increased by 12% between 2002-03 and 2003-04. We expect that the increase in 2004-05 will be about 10%.																
40			-Sales Taxes decreased by 1% between 2002-03 and 2003-04. We expect that the original estimate will not be met. Revenue will increase by 4% vs.																
41			original estimate																
42			-Other Taxes (primarily franchise and in-lieu franchise fees are expected to increase (about 6%) in accordance with the difference between 02-03																
43			and 03-04 of more than 9%																
44			-Licenses and permits,Fines and forfeitures, Community Development Fees and Public Works Fees are all expected to mirror the amounts collected																
45			in 03-04.																
46			-Community Center and Parks&Recreation Fees are expected to exceed amounts collected in 2003-04 as a result of increased activity.																
47																			
48			-Transfers in are expected to be the same amount as estimated in the budget																
49																			
50																			
51																			

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S
52																			
53					Fiscal Year		Fiscal Year		Fiscal Year		Fiscal Year		Fiscal Year				Fiscal Year		
54					1993-94		2002-03		2003-04		2004-05		2004-05		%		2004-05		%
55					Actual		Actual		Actual		Budget		YTD 12/31/04		Expended		Expected (3)		Expended
56	<b>EXPENDITURES by Department:</b>																		
57		Police			6,332,658		8,634,800		9,231,499		12,039,419		5,744,266		48%		12,013,500		100%
58		Fire			3,298,426		4,852,915		5,918,804		7,324,083		3,985,650		54%		7,320,000		100%
59		Public Works			4,607,133		6,307,367		6,304,920		7,595,864		3,754,859		49%		7,670,400		101%
60		Parks			1,614,552		1,628,000		1,573,826		2,126,830		964,223		45%		1,952,600		92%
61		Recreation			722,791		1,394,416		1,377,711		1,665,385		799,003		48%		1,618,000		97%
62		Community Center			517,669		1,375,189		1,286,694		1,502,607		698,665		46%		1,414,800		94%
63		Community Development			786,344		1,458,196		1,499,333		1,844,713		811,220		44%		1,713,000		93%
64		City Manager			258,792		496,605		512,021		603,331		275,557		46%		594,500		99%
65		Information Systems Division			305,715		1,001,227		951,831		1,261,497		626,816		50%		1,136,800		90%
66		Human Resources			384,059		550,963		620,802		690,441		323,696		47%		648,900		94%
67		Community Promotion & Economic Development			66,020		554,472		278,601		331,831		144,339		43%		331,000		100%
68		City Clerk			225,607		378,510		306,722		561,294		204,267		36%		553,700		99%
69		City Attorney			172,083		308,695		371,031		499,502		294,102		59%		499,000		100%
70		Finance			1,230,718		1,695,013		1,654,231		2,302,659		1,002,024		44%		2,154,100		94%
71		Non-Departmental			467,155		849,817		753,765		803,683		255,424		32%		763,900		95%
72		Operating Transfers (Health Insurance, Liability)	(2)		1,506,306		2,971,947		4,267,642		<------(3)----->								
73																			
74		<b>TOTAL</b>			<b>22,496,028</b>		<b>34,458,132</b>		<b>36,909,433</b>		<b>41,153,139</b>		<b>19,884,111</b>		<b>48%</b>		<b>40,384,200</b>		
75																			
76		Reduction of Approved Budget by other sources & uses									1,328,572								
77																			
78		Budgeted expenditures excluding other sources & uses									39,824,567						40,384,200		
79																			
80		<b>Net Difference( Revenues, Expenditures)</b>			<b>1,169,820</b>		<b>1,494,103</b>		<b>677,766</b>		<b>(50,575)</b>		<b>(7,327,841)</b>				<b>321,720</b>		
81																			
82		<b>ENDING FUND BALANCE</b>									<b>1,721,356</b>		<b>(6,908,207)</b>				<b>2,066,202</b>		
83		<b>ENDING FUND BALANCE/ANNUAL EXPENDITURES</b>									<b>4.3%</b>						<b>5.1%</b>		

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S
84																			
85			<b>General Fund Expenditure Notes</b>																
86			(2) Health insurance and other insurances have been handled in different ways over the course of the last ten years. This reporting is to provide																
87			comparitive amounts for all expenditures.																
88			(3) All insurance expenditures have been recorded directly to department operating (2004-05) budgets in this presentation.																
89																			
90			<b>Summary Analysis:</b> All departments have responded to the budget challenge we face by making adjustments to their operations and expenditures.																
91			These cost saving measures are expected to result in actual expenditures that will be \$768,900 less than budgeted expenditures for the General Fund.																
92			There are currently 25 vacancies in General Fund Departments that amount to savings of approximately \$1.0 million (including benefits). At this time																
93			one of those positions will be filled (City Planner) and the rest are not expected to be filled.																
94																			
95			<b>Review of details:</b>																
96			-Included within the Public Works department responsibility is city-wide utilities. Expenditures for city wide utilities will exceed the budget and																
97			result in this department exceeding its budget.																
98			- All other departments will show some budget savings as a result of various cost cutting measures and as a result of vacancies.																
99																			
100																			
101			<b>Fund Balance-</b> As of 12-31-04 the General Fund expended approximately \$7.3 million more than revenues collected. This imbalance will be corrected																
102			by June 30, 2005 with the collection of property taxes and sales taxes in January and May. The ending General Fund Balance is expected to be																
103			approximately \$2.1 million.																